

FREIGHT MOBILITY STRATEGIC INVESTMENT BOARD

MEETING MINUTES

October 15, 1999

**Ramada Inn Spokane International Airport
Spokane, WA**

Board members present were Mr. Dan O'Neal (Chair), Mr. Don Lemmons, Ms. Patricia Otley, Ms. Carol Moser, Mr. Ross Kelley, Mr. Jim Toomey, Ms. Barbara Cothorn, Mr. Sid Morrison, and Ms. Paula Hammond, Executive Director (Interim).

Board members went into Executive Session for 90 minutes.

WELCOME AND INTRODUCTIONS: Chair Dan O'Neal welcomed all present. Mr. Sid Morrison introduced Ms. Michelle Maher, Transportation Commissioner from Spokane and Mr. Jerry Lenzi, WSDOT Eastern Regional Administrator. Mr. Ross Kelley welcomed everyone to Spokane.

MINUTES:

Mr. Don Lemmons moved, Mr. Sid Morrison seconded, to approve the minutes from the September 17, 1999, meeting.

MOTION CARRIED

EXECUTIVE DIRECTOR SUBCOMMITTEE REPORT: Ms. Barbara Cothorn reported on the process for hiring an executive director. Since the Board postponed hiring an executive director last year, they started the process all over. In the past few months the position was advertised in a number of publications throughout the state. Of the 18 applicants, five were selected to be interviewed by the Personnel Subcommittee. In the interim, one of the applicants was hired by another entity; leaving four applicants to be interviewed. Ms. Barbara Cothorn recommended to the Board on behalf of the Personnel Subcommittee, that the Freight Mobility Strategic Investment Board offer the position of Executive Director to Ms. Karen Schmidt, effective Monday, November 8, 1999, at the salary of approximately \$84,000. Ms. Barbara Cothorn stated that the subcommittee is confident that Ms. Karen Schmidt is the person for the job.

Mr. Ross Kelley thanked the subcommittee for their efforts through this process. Also, Mr. Sid Morrison appreciated the subcommittee's openness during the entire process.

Ms. Barbara Cothorn moved, Ms. Carol Moser seconded, to approve Ms. Karen Schmidt as the new Freight Mobility Strategic Investment Board Executive Director effective November 8, 1999.

MOTION CARRIED

FMSIB BUDGET: Ms. Paula Hammond presented the budget information to the Board. At this stage in the biennium the Board is well under their budget.

At the request of the Board, Ms. Paula Hammond's office has identified a facility for the FMSIB staff that currently WSDOT holds the lease. The office space is approximately 650 sq. ft. and located on the corner of Legion Way and Plum Street in Olympia. The facility is available immediately and the lease can be terminated any time with a 30-day notice. The benefits are: (1) the start-up costs are estimated to be \$58,000; (2) WSDOT phone lines and data ports are already in place allowing WSDOT and Board staff to better communicate; (3) good freeway access; and (4) close to Capital Campus. Ms. Paula Hammond recommended that the Board consider securing this facility.

Mr. Sid Morrison moved, Mr. Ross Kelley seconded, that the Board authorize the Executive Director and WSDOT support personnel to work out the office location and supply issues, and that the Board approve the spending level as presented.

MOTION CARRIED

DRAFT LEGISLATIVE REPORT: Ms. Stephanie Tax presented the draft report to the Board, that was e-mailed to the Board for their convenience. The Board determined that the legislative report would be submitted to the Legislature at the end of December.

The following were suggested changes to the report:

- Ms. Carol Moser suggested adding photographs to the report since it is going to be used as a sales tool.
- Ms. Barbara Cothorn recommended that the report state the Board approved to fund the first 33 projects with the Referendum 49 funds. The Board may still have some issues to address if the MVET collections are modified during the legislative session.
- Mr. Jim Toomey asked to include the prioritized project list in the body of the report, so that it constantly becomes the Board's baseline. After the election results are known, the Board will ask agencies for updated timelines on their projects and possibly include them in the report as well.
- Ms. Carol Moser suggested to reference the Endangered Species Act (ESA) as a challenge to FMSIB project proponents.
- Mr. Jim Toomey requested that the Potential Future Directions section identify the impacts of the FMSIB project schedule modifications due to election results, environmental issues, etc.
- Ms. Paula Hammond suggested to include executive director items for next year.
- Mr. Dan O'Neal asked the Board to submit editorial changes to Ms. Stephanie Tax through e-mail.

The Board decided to have the next FMSIB meeting in the Kelso/Longview area to possibly tour the Allen Street Bridge project. The information on the Allen Street project in the draft report does not state anything about what would happen if I-695 passed. Ms. Paula Hammond stated that the \$3M for the Allen Street Bridge project is within the WSDOT budget, and the funding would be covered. In November, the Board will need to review this section on the Allen Street Bridge project due to I-695 results.

PROJECT FUNDING SCENARIOS: Ms. Paula Hammond discussed the Project Funding Scenarios handout which presents potential options for the Board in the face of I-695. At the last meeting, the Board asked what would happen if there was no money, partial money or full money. These options are as follows with a possible decision by the Board in November.

Case 1A: I-695 Fails: (1) FMSIB proceeds with projects as planned; however, the Board may not be able to deliver at the rate originally anticipated because projects have been stalled. (2) Ms. Barbara Cothorn requested to add an item 2B to Case 1 referring to actions the Legislature might take with regards to modifying the excise tax and possible reduction of FMSIB funds.

Case 2A: I-695 Passes and Legislature does not restore FMSIB funding: (1) the Board holds on to the current priority list of projects and submits the package to the 2001 Legislature, or (2) FMSIB develops a new call for projects to submit to the 2001 Legislature.

Case 2B: I-695 Passes and Legislature restores partial funding: (1) follow the original prioritized list, funding the highest priorities first and proceed down the list until the money runs out; (2) follow the original prioritized list but allocate on a partial basis of what was originally requested; (3) follow the original priorities, but only fund those projects that are ready to go to construction; (4) only fund those projects that are currently under agreement with FMSIB and have proceeded at their own risk; regardless of the priority list.

Ms. Paula Hammond explained that the City of Auburn sent a letter asking the Board to consider releasing limited funds for high priority projects. Ms. Paula Hammond explained to the city that there is not partial funding available for projects, but Mr. Jack Locke, City of Auburn, advised the Board that the city could get by on limited funds and wanted to get their request in first. Currently, there are no signed agreements with Auburn. To date, Ms. Paula Hammond has not signed any agreements with agencies that have assumed the risk should FMSIB funding not be available in the event I-695 passes.

Mr. Sid Morrison reminded the Board that all of the options are influenced by the need for geographical distribution. It was suggested that the Board might be able to have a “rolling” requirement where they could achieve this requirement over time. This requirement would modify some of the options rather significantly. Ms. Paula Hammond read the geographical distribution requirement RCW 47.06A.050 Allocation of Funds. The RCW does not mention a timeframe. The Board asked for a legal interpretation by the Attorney General’s office on this issue. The Board’s intent is to use the original list whether there are agreements or not.

Mr. Sid Morrison asked Rep. Karen Schmidt how many legislators looked at this list of projects to see where their projects were during the distribution of Referendum 49 funds. Rep. Karen Schmidt explained that there was a great deal of interest in the list when discussing the freight mobility program. The Legislature understood this was the first step in a continuous program. The idea behind the program was that there was flexibility, but the funding was for projects 1-33. Some projects were funded in the first biennium and others in the next based upon the timelines submitted.

Also, Rep. Karen Schmidt stated that currently, the Legislature is looking at the “what-if scenarios” should I-695 pass or fail. One of the considerations are current obligations. The Allen Street Bridge project was clearly a prior obligation and the Tacoma Narrows Bridge is another that will need to be addressed. Projects with federal dollars committed and projects that leverage other investments are viewed as higher priorities than projects without partners. Rep. Karen Schmidt believes there is a need for the Board to develop WAC’s on these issues and the Executive Director could provide some recommendations in the future.

Mr. Sid Morrison stated that there is potential of reduced funding because the Board anticipates a legislative reaction if I-695 fails. Rep. Karen Schmidt stated that all four caucuses and the Governor’s Office have expressed an interest in lowering the Motor Vehicle Excise Tax (MVET) if the initiative fails. Reimbursement on FMSIB projects would be dependent on whether the State Treasurer will sell bonds. Mr. Sid Morrison stated that probably by January the Board will have an idea of what the parameters are framing the discussion of reduced or eliminated MVET funding. A preliminary evaluation may be determined as early as the November FMSIB meeting.

In summary, the concerns raised in regards to these scenarios included: giving a project a portion of the funds previously requested; balancing available funding; the priority list of projects; and geographical distribution requirements. The Board requested that the new Executive Director add any additional alternatives the Legislature may be considering to the scenarios for discussion in November.

Ms. Paula Hammond explained the Board’s commitment to the Allen Street Bridge project: the Board proceeded in good faith; the Board had a full budget; and the initiative had not yet been certified for the November ballot. Therefore, the Board has an agreement with the Allen Street Bridge project, and it should be the first project funded regardless of the changes in funding received. Mr. Sid Morrison agreed that the Allen Street Bridge project is a unique situation, but any new agreements would be questionable if FMSIB money was anticipated since these funds were no longer assured.

Ms. Paula Hammond stated that last month the Board agreed to proceed with agreements, if the agencies assumed the risk of the FMSIB dollars. Ms. Paula Hammond asked the Board if they would like for her to proceed differently if an agency wants to enter into an agreement between now and November 2nd at their own risk. The Board requested, Ms. Paula Hammond check with the Attorney General’s office to ensure that the Board is not committing to projects on a first come first serve basis thus altering the current project priority order. Ms. Paula Hammond asked for confirmation from the Board to keep the risk statement in the agreement, at least through the next meeting. The Board agreed. The Board will forward any options or scenarios they want to add to the project funding scenarios list to Ms. Paula Hammond.

Mr. Sid Morrison moved, Ms. Barbara Cothorn seconded, that it is the intent of the Board that any agreements signed shall not modify the project priorities previously determined by the Board.

MOTION CARRIED

Mr. Dan O'Neal stated that the project funding scenarios are more than just academic because it looks like either way, the Board is going to be looking at less money. These are the options the Board will be weighing in the next few months. A decision by the Board is not required today; however, they will need to decide how to handle receiving limited funds.

FUTURE MEETING: The next meeting will be held on November 19th in the Kelso/Longview area from 10:00 A.M. until 2:00 P.M. Items for discussion are: (1) Executive Director report; (2) election results; (3) the supplemental budget request to OFM; (4) project funding scenarios; (5) finalizing the legislative report; (6) update on projects; (7) future call for projects; and (8) discuss a possible December 17th meeting in SeaTac.

SPOKANE PROJECT PRESENTATION: Mr. Ross Kelley explained that the Board will be looking at two funded projects; a couple of projects that almost made it; and a couple Spokane County wished had made it. He gave background about the Spokane area and its growth. Spokane has two directions of major highway corridor; I-90 through the middle and Highways 2 and 395 running north from the City Center. Spokane is the largest city between Calgary and Salt Lake City, and Minneapolis and Seattle. Consequently, Spokane has drawn in a lot of service related industry. There are also two railroad corridors that go through Spokane, and it has the second largest airport in the state moving freight.

Mr. Brent Rasmussen, WSDOT Eastern Region Local Programs Engineer, presented information on project #24 Colville Alternate Truck Route. Mr. Jim Haines, Spokane County Program Development Engineer, presented information on projects #34 Park Road at BNSF Main Line, and #40 Barker Road at BNSF Main Line. Mr. Mike Frucci, WSDOT Eastern Region Project Development Engineer, presented information on projects #33 I-90 Argonne to Sullivan, #42 I-90 Sprague to Argonne, and #44 I-90 Sullivan to Harvard.

Ms. Carol Moser moved, Mr. Don Lemmons seconded, to adjourn the meeting.

MOTION CARRIED

MEETING ADJOURNED AT 1:30 P. M.

A. DANIEL O'NEAL
Chairman

ATTEST:

KAREN SCHMIDT
Executive Director

